UN-HABITAT: Financial Status July 2005

1. Introduction and summary

This report provides an overview of the current financial situation of UN-HABITAT, excluding direct project income and expenditure. In line with the format of previous reports, it focuses on the financial situation of the organization in relation to the four core budgets for the year 2005 (Annex A).

With regard to income, UN-HABITAT’s forecast for general-purpose contributions is now US$9.8 million for the year 2005. This reflects a conservative estimate based on prior year average trends and a prudent exchange rate in 2005. Of this amount, US$8.2 million has already been paid or confirmed in writing (Annex B).

While the financial situation of UN-HABITAT remains positive, donors are encouraged to continue making their contributions early in the year in order to enable the organization to plan effectively for the delivery of the 2004/2005 work programme. UN-HABITAT, nevertheless, continues its policy of budgeting a conservative level of expenditure to accommodate the time lag in commitments and actual receipt of contributions.

The special purpose contributions earmarked for projects and programme activities have now reached US$31.1 million in actual receipts, of which US$9.8 million is against the Foundation and US$21.3 million is towards Technical Co-operation activities. This is approximately 40% of the total special purpose contributions (US$74.7 million) received in 2004 (Annex C).

All core budget expenditure allotments are in line with the budgetary provisions approved during the 19th Session of the Governing Council and take into account the current year income projections.
2. Status of the Core Budgets  *(Annex A)*

  
  *i).*  **Regular Budget Allotment:**

  The regular budget allotment for 2005, which includes the New York Liaison office allotment, currently stands at US$8.8 million. This brings the total regular budget allotment for the 2004/2005 biennium to US$17 million. Expenditures are at the level to be expected at this time of the year and are projected to remain within the authorized allotment.

  
  *ii).*  **Foundation Allotment:**

  The core foundation allotment issued for the year 2005 is US$7.2 million. In addition, the variable allotment for project and information activities currently stands at US$1.2 million. The total foundation allotment is therefore US$8.4 million for the current year.

  
  This brings the total allotment for the 2004/2005 biennium to US$18.3 million. Expenditures for the current biennium are at approximately 70% of the authorized allotment, which is not only the level to be expected at this time of the year, but also within the anticipated income level of US$20.3 million for the biennium.

  
  *iii).*  **Foundation Programme Support Allotment:**

  The approved expenditure budget for the current year is US$1.3 million. This budget is set against the forecasted income of US$2.0 million for the current year.

  
  This brings the total approved expenditure budget for the 2004/2005 biennium to US$2.7 million against the current forecasted income of US$4.0 million for this period. However, the income earned to date during this biennium is US$3.3 million. Expenditures for the current biennium are at 60% of the authorized allotment and are therefore expected to remain within the authorized level. It is expected that the target income of US$4.0 will also be achieved.

  
  *iv).*  **Technical Co-operation Programme Support Allotment:**

  Although the current year forecast for the Technical Cooperation overhead income totals US$4.9 million, the approved annual expenditure allotment is presently set at US$3.9 million.

  
  The total approved expenditure budget for the 2004/2005 biennium is currently US$8.4 million against the corresponding income forecast for the biennium of US$8.4 million of which US$7.5 million has already been earned to date. Expenditure levels are expected to remain within the approved allotment and the income projection to be realized.
3. Foundation General Purpose Income *(Annex B)*

*Annex B* provides the current status of the 2005 general purpose pledges and contributions to the Foundation. As at 31 July 2005, twenty-two governments had made confirmed commitments to UN-HABITAT of US$8.2 million out of which 70% (US$5.7 million) has been paid. All governments are invited to confirm and subsequently arrange for payment of their 2005 contributions.

The outstanding pledges to the United Nations Habitat and Human Settlements Foundation from previous years currently stands at US$32,158. However, it is worth noting that there are no outstanding pledges for the year 2004. Those governments with outstanding dues are urgently requested to settle their accounts.

UN-HABITAT’s general purpose contribution forecast for 2005 is currently US$9.8 million, which, on the basis of prior year trends, includes a realistic estimate of US$1.6 million of expected non-committed contributions.

4. Foundation Special Purpose Contributions *(Annex C)*

As at 31 July 2005, contributions to UN-HABITAT for specific programme and project activities amounted to US$31.1 million. The data is based on actual receipt of monies from 16 governments and a variety of other partners including the European Commission, World Bank, and other United Nations Agencies.

*Annex D* provides an overview of the special purpose contributions by type of activity. More than 83% of the current year contributions (US$25.7 million) relate to specific country activities, of which US$7.3 million is towards the countries affected by the Tsunami namely Indonesia, Maldives, Somalia and Sri Lanka. The other country activities are primarily in Afghanistan, Serbia and Somalia.